App. F. IX-4

1935-6
(C-1)

File No. 56-35

Serial Nos. 2-5, 10

Previous References
C-0 49-34 (1-A)

Letter References.

PRESERVED

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. five

Part B for Oct 35

A Amendment of Rule 18 of the Rules under the Co-operative Societies Regulation relating to the Grant of loans to Secretaries of such Societies

WD 0418—GPB—22,500—23-8-36

GENERAL AND REVENUE SECRETARIAT.

(G. S)

NOTES.

G.S. File No. 58-35

FILE HEADING.

Amendment of Rules under the Co-operative Societies' Regulation

FROM

The Hony President Alumiog Co-operative Bank Ltd

No. 757 Dated 14-12-35 Received

Diary No. 2876	Enclos.	Spare copies	Serial No. 2

BRIEF ABSTRACT OF LETTER.

Represents that the amended rule 15 of the Rules under the C. S. Regulation works as a very great hardship to the urban Societies and requests suitable amendment of the Rule to remove the hardship now caused in urban Societies

NOTES AND ORDERS.

G.S 49-34 41-8.

(1) The file relating to the amendment of the ~~bye-~~ rule is placed below with representations flagged and marked as the P.W.D. The President of the Bank represents that the rule works as a very great hardship in Societies where ~~there~~ more than one Secretary is appointed

Amendment of Rule 18 of the C.I. Regulations 2876

General and Revenue Secretariat — 65 File No. 56 of 1935. [App. F. III—2

Serial No.

and also contend that the draft rule was applicable only to rural societies and the extension of the rule to urban societies omitting the words "rural societies" in the final notification with out compliance with the preliminary requisite is ultra vires. and request that the rule may be made applicable only to rural societies until the rule is amended the maximum premium be made applicable where there is only one security.

2) Submit for orders whether the remarks of the Registrar may be called for on the representation of the Bank. A draft is however submitted.

13/1/36 3) After issue of the draft, the Law Secy will also be consulted if the contention of the Bank that the new rule is ultra vires is tenable

KP 13/1

4) Issue draft 23/1/36

3 To the Regr of

JAN 1936

M.D. 45 ins d 27.1.36

To copy of R 2 with enclosures for his remarks

27/1/36

NOTE—Contn Sheet.

WD 03594—GPB—30,000—18-7-35

2876 / 3715

G.S. File No.	58	of 1935.	General and Revenue Secretariat

Letter No 4708/Cis. dated the 11th Feb 1936 3
from the Registrar Cis. forwarding his remarks
on the representation of the Board of the Shimoga
Co-operative Bank and stating that the Madras
Urban Banks may have their managers instead
of honorary Secretaries whereas Bombay and
Madras Banks are paid. And stating
that the percentage may be raised to Rs 15/- and
the maximum Rs 300/-.

5) Submitted for orders whether the Resolution
has to be amended on the question of honorary
Managers while Removing the rule as ultra
vires. (Paras 1, 3 above).

6) The proposal to raise the percentage
from 12½ to 15 and the maximum
from Rs 250/- to Rs 300/- is also for orders.

17/2/36

7) When the Rule in question was passed, it was
not contemplated that it was to be made applicable
to cases of societies in which more than one
Secretary was working. The contention of the Shimoga
Society appears therefore to be valid. If this view
commends itself, the intention may be made clearer
by suitably amending the Rule.

8) Otherwise, the suggestion of the Registrar
to increase the bonus to 15 p.c. or Rs. 300 may be approved.

Gen. Secy)

18/2/36

GOVERNMENT OF MYSORE
1 FEB
513

(4

Serial No.

9) Is it true that the rule was meant at first for rural societies? When, if so, was it made applicable to urban societies?

Secy 14/2

10) Kind reference is invited to the letter dated 17-12-34 from the Registrar Co. recommending for sanction the resolution of the Provincial Conference. The draft rules was based on this resolution. The rules in its present (×) form was finally issued after discussion with the Registrar Co. (Flags B+C).

Submitted with reference to para 8 above

Sd 26/4/35

11) The letter (×) of the Registrar dated 17th Dec 1934 made it appear as if the Rule should apply to all unlimited Societies. But the recommendation made in the letter was to the effect that sanction was required to the resolution passed at the Conference which referred to rural societies only. The preliminary (×) notification was drafted accordingly and the alteration was effected in the final notification stage.

(Gen. Secy)

dcg 27/2/36

GENERAL SECRETARIAT 27 FEB. 1935 778

NOTE.—Contn. Sheet.

WD 03591—GPB—30,000—18-7-35

12) The Registrar's letter dated 11/2/36 is for perusal. As I stated in the Government's note dated 18/2/36 the rule was not intended for societies in which there were more than one Secretary. It is clear however that the idea was to fix the amount that could be spent as honoraria. If the limit is ~~Rs 100~~ Rs 125/- for each Secretary it will be open to every society to say that the work requires the attention of more than one Secretary and increase appre. under honoraria. One limit has therefore to be fixed for all societies whether there is one Secretary or more than one.

13) In the case of large societies with heavy transactions where the profits are large, however, it is desirable to encourage the employment of two Secretaries rather than one. Rs 125 would in such a case be a small amount for each person. It should in such cases be open to the Dept. to permit the payment of a larger amount provided the limit of

Serial No.

12½% is not exceeded. Each Secretary may perhaps in such cases be permitted to get upto Rs 150 or even Rs 180/-

(iii) If this is approved the rule may be added to the effect ~~that~~ that if it may be spent on legal fees there may more than one Secretary the may ~~not be~~ allowed Rs 300 (or Rs 360) provided the amt. paid is not in excess of 12½% of the net profits.

Suo
29/2

Secd member

OFFICE OF THE SECOND MEMBER OF COUNCIL. 29 FEB 1936 No 6642

15) Pending the receipt of the report of the Committee on Co-operation, I would prefer to make no change in the Rules

Suo
1/3/36.

Suo 2/3/36 -

16) Draft
dcg
2/3/36

17) Draft Letter for issue

dcg 3/3/36 RS 4/3

Issue
dcg
4/3/36

R. 1936 REV. SECTT.

NOTE.—Contn. Sheet.

WD 03591—GPB—30,000—18-7-35

CS File No. 56 of 1935. | General and Revenue Secretariat

To the Secy. Shimoga Cooperative Bank Ltd Shimoga
No. 5463 & 6/8/36

States that his reports will be considered after receipt of the Report of the Committee on Cooperation

copy to the Secy "for info"
No. 5464 & 6/8/36

Secy B file the end of July 36
9/8/36

(8) The Committee on Cooperation have recommended in Para 36 of their Report that the present limit payable to the Secy of Cooperative as remuneration of 12½ per cent of net profits may be raised to 15%. subject to a maximum of Rs 300/- and an additional 5%. may be given where no clerical assistance is given to the Secretary.

(9) Comments have been called for on the Report of the Committee and the ~~Reg. Cooperative Institute~~ has time for the receipt of such comments in the case of major cooperative Institute been ordered to be extended till the end of Oct 36/37 is for orders whether the present case may be considered along with the several recommendations of the Committee. Submit for orders

To CS. (10) On this question, the Committee 10/36 have made a specific recommendation (vide Para 203) May perhaps be considered along with the other recommendations of the Committee when the latter are taken up for consn.

Secy B file the end of Oct 36

RECEIVED 5 OCT. 1936

21/10

Sd Secy 5.10.36
Sd CS. 7.10.36

Serial No.

27) The committee have suggested that the limit may be raised to Rs 300/-. The Regr has given good reasons why the bonus paid to Secretary shd not be above this limit. Big societies and Banks may employ full time Secretaries or managers

Govt Secy 29.1.37

23) For further note and orders please see file Cs-11-36 (Dis. 3510)

For Govt orders in file Dis 4838 Fin(45)

Govt orders in G.O. No D 5456-58/ Cs-11-36-53 dated 15-2-37 and G.O. No D 6471-3 dated 24/37

Orders have been passed raising the maximum bonus to Secretaries of Cl. Banks Rs 250/- to Rs 300/- and draft rules amending the previous ones had been published and objections has been invited.

The Boards have contended that Para 3 of Rule 15 as it exists, and as applicable to Urban Banks in as much as it had no bearing on public obligations and request that the rule may be applied only to rural banks as originally intended and that the maximum prescribed be made applicable to non-Secretary only. The Boards were told that the question would be considered after the receipt of

WD 0417—GPB—80,000—8-9-36

Serial No.

the Report of the Committee on Cooperation

Now that orders have been passed on the Committee's recommendation and draft rule amending the Societies one has been issued and public opinion called for it is for ~~consideration~~ Consideration whether any action is necessary. Subs

Sd 9/4/37

× × ×

Draw

For further remarks and orders please see Govt. file 79-36. Dno 6833/D of 1936-37.

× × ×

Draft reply to the Secretary Travancore Co-op Bank is submitted as per orders in Para 15 in the Note file

Sd 7/7/37

The draft already put up is slightly altered to as per orders on the question of Inspection or examination to Societies also revised for approval

Sd 28/9/37

Yesterday

Revised draft Govt as per instructions

Sd 6/10/37

Draw

Secy A. S. G. 6/10.37

Sd 8.10.37

Issued 8.10.37

TYPING

3715

Serial No.	
10	To. The Hon. Secy. Shimoga Coop. Bank Hd. Shimoga D.3018 20-10-37. States that orders have passed enhancing the maximum amount payable to Secretaries from Rs 250 to Rs 300 whether their number be one or two. Copy to Registrar of C.S. D3019. 20-10-37

JSR. & REV. SEC. BNGE.
28 OCT. 1937
DEVELOPMENT BRANCH.

WD 0417—GPB—30,000—8-9 36

The Shimoga Co-operative Bank, Limited,

SHIMOGA.

Ref. No 757 14-12-35

Date 9-12-1935

2476

To

The General Secretary
to the Govt. of H.H. the Maharaja of Mysore,
BANGALORE.

GENERAL SECRETARY'S
16 DEC. 1935

Reference:-- (1) Notification No. D/C.S. 49-34-8 dated, Bangalore, 16th May 1935, regarding the addition of a paragraph to Rule No. 18 of the rules under the Co-operative Societies Regulation. (2) Registrar's docket No. 1815 dated 13-9-1935.

C.S 56-35-2

Dear Sir,

The paragraph added to Rule 18 of rules under the Co-operative Societies Regulation as per the above notification fixes at Rs 250/- per annum the maximum honorarium payable to the Secretaries of ~~the~~ Co-operative Societies. Since the plural word 'Societies' is employed in the said notification, I venture to point out that there is room for doubt as to whether the maximum is that payable to each or all the Secretaries together in an institution where there are more Secretaries than one.

I beg to bring to the notice of the Government that, so far as this Bank is concerned, it has had for nearly 15 years two Honorary Secretaries to cope with its heavy work and it has been the invariable practice for the General Body of this Bank to allot as honorarium every year a sum of Rs 600/- to be divided between the

two

two Secretaries. The average annual profits of this Bank come to about Rs 13,000/- and the honorarium that the Bank has been paying has been much less than 12½% of the profits, the limit prescribed in the notification under reference. The Committee and constituents of the Bank feel that it would look ridiculous to allot as honorarium so small a sum as Rs 250/- and ask the Secretaries to divide it between themselves.

An idea of the volume of the operations of the Bank may be had from the facts that its transactions in 34-35 amounted to Rs 4,25,138-3-0, that its subscribed share capital on 30-6-1935 was Rs 1,22,038-8-5, that it has attracted deposits to the extent of Rs 1,52,853-3-7 and that it declared a dividend of 7½% on the share capital. The General Body that sanctioned the honorarium of Rs 600/- year after year knew full well that even that sum was wholly disproportionate to the great sacrifice made by these honorary workers in devoting their valuable time and energies to the work of the Bank, regardless of their private remunerative work.

As under those circumstances, the Committee of the Bank felt that a narrow interpretation of the rule would be detrimental to the best interests of the Bank and that

the

the maximum mentioned could not have been intended to be the aggregate allowable where the number of Secretaries was more than one, the matter was referred through the Assistant Registrar of Co-operative Societies, Shimoga, to the Registrar of Co-operative Societies, Bangalore for enlightenment. The Registrar in his docket No. 1815 dated 13-9-1935 to the Assistant Registrar of Co-operative Societies, Shimoga, has replied that the total amount alloted to the Secretaries ought not to exceed the maximum prescribed in the Government Order and that it should be appropriated between the Secretaries if there are more than one.

The Committee of the Bank respectfully submit that the Registrar's interpretation, if accepted, would work detrimentally to the best interests of Co-operative institutions, especially those where the volume of work, unlike that in rural Societies, is very heavy and involves great responsibility. Further, the restriction imposed needlessly interfers with the autonomous working of even large-sized Urban Co-operative Institutions where the majority of the constituents are well-educated and intelligent and take keen and intelligent interest in the working of their Institutions.

I venture in this connection to bring to the notice of the Government that the draft rule published in Notification (No. D.4610-C.S. 49-34-2 that appeared on page 20 of Mysore Gazette 24-1-1935 Part IV

part IV dated 24th Januray 1935) contained explicit words indicating that the proposed rule would be operative only in respect of rural Societies and that the subsequent elimination of the clause restricting the application of the rule to rural Societies, resulting in its extension to Urban Societies as well, was not notified so as to give an opportunity to the institutions affected to prefer their objections. The rule framed, therefore, so far as regards its extension to Urban Societies, does not comply with the preliminary requisites to be observed before the promulgation of a rule and is, it is submitted, to that extent, ultra vires. B

In view of all these circumstances, the Committee of this Bank pray that the Government be pleased to amend the rule so as to restrict the operation of the rule, as originally notified, to rural Societies. The Committee further pray that till the said rule is amended or in case the said rule is not to be amended, the Government be pleased to declare that the maximum prescribed is intended to be applicable only where there is only one Secretary, that it should not be deemed to be the

aggregate

The Shimoga Co-operative Bank, Limited,

SHIMOGA.

Ref. No. _____ - 5 - Date 9-12-1955

aggregate allotable where there are more Secretaries than one, and that in such cases, it is the maximum in respect of each of the Secretaries.

I have the honour to be,
Sir,
Your most obedient servant,

K. Narasimhaiah

PRESIDENT.

Appendix F G—I]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the 193 .

Date of issue 27.1.36

Signed by Mr. D.C.S.

List of enclosures.....

Copied by 22/1

Examined by.....

Section 6J.

File No. 56-35

Serial No. 3

No. D.4524/Genl.

To

The Registrar C.S.

Sir

I am directed to forward herewith for favour of remarks at an early date a copy of letter No 757 dated the 16th Dec 1935 from the President Chirmore Co-operative Bank Ltd requesting ~~the circumstances mentioning by~~ him suitable amendment of Rule 18 of the Rules under the C.S. Regulation as the existing rule works as a great hardship to societies where there are secretary is appointed relating to the grant of loans to secretaries of such societies.

I have etc

dcs 23/1/36

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. D.45-24/Genl.1. Dated, Bangalore, 27th January 1936

From

General Secretary to the Government of His Highness the Maharaja of Mysore.

To The

The Registrar of Co-operative Societies

in Mysore, Bangalore.

Sir,

I am directed to forward herewith for favour remarks at an early date a copy of letter No. 757 dated the 14th December 1935 from the President, Shimoga Co-operative Bank Ltd., requesting suitable amendment of Rule 18 of the Rules under the Co-operative Societies Regulation relating to the grant of bonus to Secretaries of such Societies.

I have the honor to be,
Sir,
Your most obedient servant,

General Secretary to Government.

NCR.-22-1
2

No. 4708 C.S. GOVERNMENT OF MYSORE. 3715 12½ P

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address: "CO-OPERT" BANGALORE

Dated, Bangalore, 11th February 1936.

From

GULAM MOHIYUDDIN MEHKRI, ESQ., B.A., LL.B.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

To

C.S. 56-35-4

M.Venkatesa Iyengar,Esq.,M.A.,
General Secretary to the Government
of Mysore,B a n g a l o r e.

12 FEB. 1936 C.S.

Sir,

D 2876

With reference to your No.D.4524/C.S.56-35-3 dated 27th January 1936 forwarding a copy of letter No.757 dated 14th December 1935 from the President, Shimoga Co-operative Bank for remarks, I have the honour to state that the Rule limiting the amount of bonus to be paid to Secretaries was passed to prevent a major portion of the nett profits being appropriated by the Secretaries of Societies who with their great influence over members in most cases decide the amount to be paid to them at General Meetings. - The Secretaries are expected to do their work without any remuneration but in view of their devoting some time every day, they are given an honorarium generally not commensurate with their work. It is observed however that in a few urban societies, this bonus has become a source of living of a few people whose earnings in the other walks of life are little. If as the President of the Bank states, a bonus of Rs.600/- could be paid to 2 Honorary Secretaries who attend the society at their convenience, why not engage a paid whole time Manager and have the work of the society conducted under proper supervision. It is very necessary that all well-to-do urban societies should have paid Managers and that they give as bonus to their Honorary Secretaries should be spent for meeting the salary of the Managers, to be employed by them.

This question has been discussed not once but at two Co-operative Conferences and the Conference has resolved that no change in the Rule passed by Government is necessary. I think that the percentage may be raised to 15% and the maximum to Rs.300/- as the present rule is causing some hardship to Secretaries of rural societies.

As regards the other point raised by the President viz., the payment of bonus to each Secretary even at the maximum rates, would defeat the very -

P.T.O.

very purpose for which the Rule was prepared.

I have the honour to be,
Sir,
Your most obedient servant,

W. S. [illegible]
Registrar.

L.S.5/2.

10

Appendix F G—1]

SUBJECT.....

.....

.....

Section 6d.

File No. 58-35

Serial No. 5

Diary No. of letter replied to..... .....

No. D-5463

To Seashore.

The ~~Registrar~~

The Shevaroy Cooperative Bank Ltd
Shevaroy

Sir-

Adverting to your (letter No 75) dated the 9th Dec 1935 suggesting for amendment ~~requesting for a change~~ to Rule 18 of the Rules under the C.S. Regulation, re the honorarium payable to the Secretaries of C.S. I am directed to state that the matter will be considered after receipt of the report of the Committee on Co-operation in Mysore ~~towards~~

~~the existing Rule is called for by the~~

~~No changes~~

I have etc

Dec 24/3/36

General and Revenue Secretariat

( )

the 193 .

Date of issue 4th 6/3/36

Signed by M.V. D.C.S.

List of enclosures.....

Copied by ..... ans 3.

Examined by..... .....

Memo D-5464 Dy. 6.3.36

Copy of the above is forwarded to the Registrar Cs. for information with reference to his letter No 4708 dated

11-2-36. No change in the existing rule is necessary pending receipt of the Report of the Committee on Co-operation

B. O

dcg 4/3/36

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 6th March *193* 6.

No. D. 5263

From

The *General Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The Secretary,
The Shimoga Co-operative Bank, Ltd.,
Shimoga.

Sir,

Adverting to your letter No. 757 dated the 9th December 1935 suggesting an amendment to Rule 18 of the Rules under the Co-operative Societies Regulation regarding the honorarium payable to the Secretaries of Co-operative Societies, I am directed to state that the matter will be considered after receipt of the report of the Committee on Co-operation in Mysore.

I have the honour to be,
Sir,
Your most obedient servant,

Sd.M.Venkatesa Iyengar,
General Secretary to Government.

TSS.

P.T.O.

Memo No. D. 5464 03 6.3.36

Copy of the above is forwarded to the Registrar of Co-operative Societies for information with reference to his letter No.4708 dated 11th February 1936.

By Order,

General Secretary to Government.

TSS.

Appendix F G—1]

SUBJECT 13

.....

.....

Section 65

File No. 56-35

Serial No. 16

Diary No. of letter replied to.....

No. D 3018

To

The Secy. Secretaries

The Shimoga Co-op Bank Ltd

Shimoga

General and Revenue Secretariat

( )

the *193*

Date of issue 20-10-37

Signed by M.K. Subba Rao

Sir

With reference to your letter No 757 dated 16th Dec 35 on the payment of honorarium to the Secretaries of ~~Co-operative Banks~~ Institutions I am directed to state that Govt have since been pleased enhancing the maximum amount payable to Secretaries from Rs 200/- to Rs 300/- and that the honorarium payable to the Secretaries has been fixed in respect of the Society having it and not in respect of the person or persons holding the post of Secretary.

As recommended by the Committee on Co-operation and Total this amount is the maximum which a Society is permitted to pay to its Secretaries whether there is one or more

List of enclosures.....

Copied by .....

Examined by .....

WD 0521—GPB—30,000—12-3-37

I have etc

for Secy. to Govt

7.10.37

P.T.O.

Memo D 3019.

Copy of the above is forwarded with
Compliments to the Registrar of C.S. for
information with reference to his letter No
TE 5
4708/C.S. dated the 11th Feb 1988

B.O

Secy. L.V.G
by
7.10.90

15

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. D 3018/C.S. 57-35-10. Dated, Bangalore, 16th October 1937. 20th

From

The *Secretary to the Government of His Highness the Maharaja of Mysore,*
L.S.G. ~~Development~~ *Department.*

To

The Hon. Secretary,

The Shimoga Co-operative Bank, Ltd., SHIMOGA.

Sir,

With reference to your letter No.757 dated 18th December 1935 regarding the payment of honorarium to the Secretaries of Co-operative Institutions, I am directed to state that orders have since been passed enhancing the maximum amount payable to Secretaries from Rs.250/- to Rs.300/- as recommended by the Committee on Co-operation and that this amount is the maximum which a Society is permitted to pay to its Secretaries whether their number be one or more.

I have the honour to be,

Sir,

Your most obedient servant,

Sd. P.H. Krishna Rau

Secretary to Government,
L.S.G. Department.

Aga/3.

Memo No. D 3019. Dated, Bangalore the 16th October 1937. 20th

Copy of the above is forwarded with compliments to the Registrar of Co-operative Societies for information with reference to his letter No.4708/C.S. dated the 11th February 1936.

By Order,

For Secretary to Government,
L.S.G. Department.

Aga/2.